

117. How could you say it was completed when we had not paid the money?—I said as far as the Department was concerned.

118. But is not this application for portion of what was originally contemplated?—As I said, I cannot say what is in your letter.

119. Have you any difficulty in interpreting, "We want you to convey this piece of land to Mr. Macdonald, he paying the full amount of the purchase-money?" Yes, I think it is perfectly clear that what you meant in this letter was that the City Council purchase the land, and that the City Council then wished the title to issue in the name of Mr. Kennedy Macdonald, the owner of the adjoining land.

120. He paying the full amount of the purchase-money?—Undoubtedly, you say that.

121. Then I go on to say in my letter of the 5th September, "May I ask you to co-operate with us in carrying out the arrangement. The Department has already agreed to sell to the Council at a sum fixed. All that we ask is that the grant should be made to Mr. Macdonald on the same terms, he having arranged to give us what we want." Is not that perfectly plain—that this letter written to you shows that the arrangement made with Mr. Macdonald and the Council was that we passed over for the full amount of the purchase-money the full amount of the land conveyed, and that he paid the full amount of the purchase-money, and gave us what we wanted?—Yes, that is quite clear.

122. You say that the thing was completed?—As far as the Department was concerned.

123. As far as the Department was concerned, what you say was completed—so that a piece of land should be sold to us with a view to exchanging it for another piece of ground. Well, that is quite a different transaction from this, is it not?—No, I do not see the difference.

124. After this is a transaction for the sale to Mr. Macdonald?—Of course, you may look at it in that way.

125. He giving a consideration to the Council and paying the consideration-money for it?—All we had to consider was that we had agreed to sell a certain area to you, to enable you to widen the street. Of course, you know that.

126. Very well. You say it did not matter a bit to you whether it was '4 or 4 perches?—I never said that. I said that after the transaction was agreed to by Cabinet, and the sale, it was then a matter for the City Council entirely as to what land they obtained for the widening of Woodward Street. It was not a matter for the Government or the Department.

127. At all events, by this letter of the 5th September you perfectly understood that what Mr. Macdonald did was to pay for this land and give us a small area free?—Yes, I understood that you wished the title to be issued in accordance with the arrangement you made—that was, that, instead of issuing the title to the City Council for this piece of land, for which you pay us, we were to issue to Mr. Kennedy Macdonald.

128. You see, the Minister took quite a time—eight days—to determine whether this could be done or not. He first acknowledged the receipt of my letter on the 6th September, and then on the 14th September he agreed to it?—Yes. You notice that on the 10th September I wrote the memo. on which the Minister wrote to you.

129. You see, if the Wellington City Council paid this amount to the Receiver of Land Revenue—to the credit of T. Kennedy Macdonald, of course—it did not matter to you whether the money came direct from the City Council or a mortgagee?—That is not a matter that I had taken into consideration.

130. You are aware, I suppose, that Mr. Macdonald and I went up to your room about—I think it would be June or May last?—I do not remember.

131. We did not see you. We saw Mr. O'Neill, the Chief Clerk?—You did not see me. I was away in Napier or Nelson. When I came back they told me you had been there. You came and asked Mr. O'Neill to show you the tracing, I think.

132. I suppose you will admit that any person of experience looking at that plan, and seeing 17 ft. on one side and 13 ft. on the other, would know that it would not amount to 4 perches, or anything like it?—Oh, yes! directly I took the linkages out I saw that it would not.

133. Would you require to take out the linkages?—Directly the Minister called my attention to it I took the linkages out, and I saw at once what the area was. I had not paid much attention to the tracing attached to it, because I did not know whether it was a plan drawn by Mr. Kennedy Macdonald or by the City Engineer.

134. I would like to draw your attention to the fact that in your memo. to the Minister your only reference is to the tracing. You did not draw attention to the area?—I will tell you why I did that: because in the memos. from Mr. Kennedy Macdonald's firm they said their area, which I knew to be what we had discussed at our interview. I simply referred to the tracing to show where the widening of the street was to take place.

135. Is it usual for the Minister to read the correspondence?—Yes, every Minister I have ever been under reads the whole correspondence.

136. *The Chairman.*] I want to ask you shortly this question, which is not of much importance perhaps: When the Mayor came to you to purchase this portion of land for the purpose of making a useful street in Wellington, where the street was of very little value as it was, you took your stand from that point, as you usually do when it is a public matter—that they would get it on the easiest terms compatible with the valuation the Department put on it?—Exactly so. As I stated in my evidence, this portion to be acquired was provided for by the Public Works Act of 1886 and the Land Act of 1892, where the same principle is laid down.

137. Therefore it would not affect you? What would take place between the City Council and Mr. Macdonald was of little concern to you?—It was of comparatively little concern; but in my evidence I stated that at the time I made it as clear as possible I understood it was between 4 and 5 perches that was to be exchanged, and not '4 of a perch.